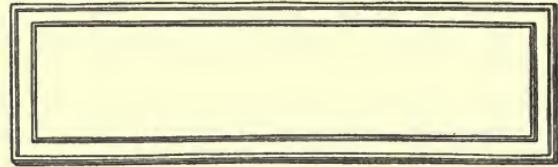
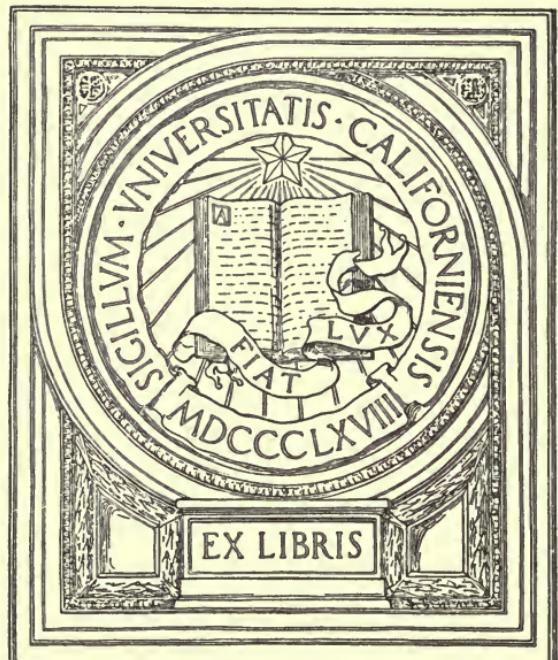


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ADDRESS

—OF—

MR. PATRICK CALHOUN,

DELIVERED AT THE

FIRST ANNUAL BANQUET

OF THE

ATLANTA CHAMBER OF COMMERCE,

FEBRUARY 13, 1890.

ATLANTA, GA.:
THE CONSTITUTION JOB OFFICE,
1890.

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ADDRESS

—OF—

MR. PATRICK CALHOUN,

DELIVERED AT THE

FIRST ANNUAL BANQUET

OF THE

ATLANTA CHAMBER OF COMMERCE,

FEBRUARY 13, 1890.

“What we need is that character of railroad combination which will enable the Southeast to enter vigorously into competition with the North for a share of the commerce of the continent, and that will tend to promote the industrial development of our Piedmont and mountain sections and build up our South Atlantic seaports.”

ATLANTA, GA.
THE CONSTITUTION JOB OFFICE,
1890.

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NO. 3
AUGUST 1960

A D D R E S S

—OF—

MR. PATRICK CALHOUN,

Delivered at the First Annual Banquet of the
Atlanta Chamber of Commerce,
on 18th February, 1890.

Mr. Chairman and Gentlemen—Atlanta is the result of a railroad accident—of a collision between swift-footed progress, the forerunner of railroad development, and that slow moving conservatism which sees danger in the shadow that follows every form of progress. Early in the railroad history of the State, it became apparent that the most important roads then projected, would meet near this spot. The necessity of connecting the South Atlantic sea ports with the Mississippi Valley, commanded the attention of the leading men of the South. A committee of the Legislature, in an able report, urged that this State should build a grand trunk line, from a point on the Tennessee river near Lookout Mountain, to a point near the southeastern bank of the Chattahoochee, and branches thence to her important towns, which, like veins of the human body, should lead to a common center. The widespread sentiment in favor of reaching out to the West, resulted in the Act for building the Western and Atlantic Railroad, and in an invitation to the roads projected in the State, to meet the grand trunk at its eastern terminus. At that time Decatur was one of the prosperous towns of Georgia; the county seat of a large county, which included the land on which Atlanta is situated, and stretched westward to the Chattahoochee river. Its citizens were intelligent, but they failed to

appreciate their opportunity. Tradition tells us that they objected to Decatur being made the terminus. They did not want their slumbers disturbed by the blowing and shifting of engines, and they feared the contaminating influences of the immoral characters which, it was supposed, the railroads would gather about the terminus. They objected to the State Road being built to Decatur, and permitted the Georgia Railroad to be extended through their town to an unpeopled spot, where it met the State Road. Around that spot has grown this city. Thus, once prosperous Decatur, startled by a shadow, escapes obscurity only as a suburb of Atlanta; while Atlanta, fair daughter of a railroad union, known in infancy as the Terminus, and described in youth as "a point in DeKalb county, Georgia, not far from Decatur," stands to-day in her majesty and might, with the bloom of youth still fresh upon her cheeks, a great, opulent and populous city, the capital of her State, the pride of her section, the metropolis of the Southeast, the very embodiment, indeed, of those broad and liberal sentiments of progress and patriotism which most distinguish and adorn the highest development of American civilization. There is no marriage more prolific than that between an important, healthy railroad terminus, and a liberal, vigorous spirit of progress. From such an union sprung this beautiful city—the child of the railroad, the child of progress; dowered with health and wealth, with energy and strength, with virtue and public spirit, and with every noble quality to fit her for leadership in the race of material development, and to make her the exponent of the highest culture, the broadest patriotism and the loftiest aspirations of her State and section. How little did the people of Decatur foresee this result! Not here the contaminating influences that corrupt society, but the church and the school house—the merchant and the manufacturer with their great stores and factories, giving employment to

thousands—and their homes, the centers of culture and refinement. And at their table, the foremost men of the country—the Governor of the great State of Ohio, who has so recently led his Democratic cohorts to glorious victory, and whom his party may yet call to lead greater cohorts to higher victory; the distinguished Congressman of West Virginia, whose great speech on the tariff attracted the attention of the whole country—the President of our sister chamber of the greatest city of the Western world—the brilliant Democratic leader of Massachusetts, that grand old Commonwealth of which every American is proud, and which is doubly dear to us now because of the royal welcome extended to our immortal Grady—and all these men, so distinguished in their respective callings, with what pride we welcome them!

Sir! What single factor was common to this whole result? What instrument most has fashioned it?

THE THROB OF THE ENGINE IS THE HEART-BEAT OF CIVILIZATION.

Intelligence, wealth, Christianity, follow it everywhere. Less than a century ago, it was gravely argued that the vast territory west of the Alleghany mountains, not contiguous to the great rivers, was practically useless, because what it produced could not be transported to the markets of the world. But the railroad has penetrated the mountain fastnesses and rendered their hidden wealth available, has crossed the prairies, peopled them with cities, and transformed their treeless solitudes into fruitful farms; has stretched from ocean to ocean, driving before it the savage with his war paint and his tomahawk, bringing with it the home, the school house and the church, and moves the commerce of the continent, carrying peace and plenty to the dwellings of the poor, and has made it practicable for a young girl, unattended and alone, to travel unarmed and unmolested around the world. It is

the railroad that has built up, peopled and developed this country with rapidity unequalled. It is the railroad that has contributed most to national wealth. It has done all it could, and is doing all it can, to promote the welfare of the people. The country is dependent upon the railroad for its growth, and the railroad, more than any other industry, is dependent upon the growth of the country. The railroad has a direct interest in the prosperity of every kind of business. Every additional inhabitant, every additional store, every additional factory, means increased freight, and increased freight means increased prosperity for the road. The railroads have been built at an enormous cost. It requires a vast volume of freight to enable them even to pay operating expenses, and it is only by increasing this volume to such proportions that it can be handled economically, that the roads can earn any profit for their stockholders.

THE WELFARE OF THE PEOPLE MEANS THE WELFARE OF
THE RAILROADS.

The greatest concern of those who manage the railway systems of the country is, how can they best reconcile all conflicting interests; how can they best promote the welfare of the section tributary to their roads; how can they render their patrons the most efficient service. Nor are these questions born of philanthropy. To answer them correctly is the best way to serve the interest of those whose money is invested in the roads.

It is absurd to suppose that the welfare of the roads and the welfare of the people are antagonistic. They go hand in hand; and it is therefore ridiculous to suspect that the railroads would strike a blow at the prosperity of the country. Men do not go contrary to their own interests. Every intelligent man admits these facts, and yet there is a widespread effort to create antagonism between the people and their railroads. It is clear that none should exist. It

is clear that that which exists is often unjust, and nearly always unreasoning. What is the cause? Have the railroads performed their duties to the public? Have they decreased the cost of transportation, and increased the facilities for travel? If so, why should dissatisfaction exist? It arises from two classes of causes; one is adventitious; the other inherent, springing from conditions beyond human control. Among the first may be classed railway mismanagement, resulting too often from railroad competition, producing unjust discrimination and railroad wars; the efforts of those engaged in building new roads, who, for selfish purposes, antagonize the old; and last, but not least, the misstatements of designing men who would excite popular prejudice to secure personal advancement. My time is too short to discuss the mere adventitious causes of dissatisfaction. Suffice it to say, they will wilt and die beneath the summer heat of enlightened thought. But, underlying the railroad situation, there are conditions, permanent in their character, which the public must recognize are beyond the power of the roads to control. Without a clear conception of them, no correct opinion can be formed.

THE DISCRIMINATIONS OF NATURE.

God discriminated when He created the world. At one point, He put lime and coal and iron so near together, that a man can throw a stone across the veins of all. At another, He ran His rocky hills so close to the shore, that the rivers come tumbling to the sea, enabling the sailing vessel to bring the raw material to the factory's door, run by the only power practicable for moving heavy machinery, prior to the introduction of steam, and enabling the merchant to reload the vessel with the factory's product, and send it by water, the then only practicable means for distant transportation, to the markets of the country; and here great factories rose. At another, He made his mountain ranges recede so far inland,

that vast lowlands, through which rivers sluggish run, lie between the mountains and the sea—lowlands where the cotton grows. At another, He stretched great prairies, adapted best to grain. Through the center of the continent, from north to south, He directed the course of a mighty river, giving, with its tributaries, thousands of miles of navigable waters, emptying, before the day of railroads, the commerce of its imperial territory into the splendid Gulf of Mexico; and on its banks mighty cities grew. From east to west, along our northern frontier, He stretched a chain of great and navigable lakes. On the eastern coast, He opened a noble bay, into which pours the splendid Hudson, broad and deep, whose waters were easily connected by canals with this great chain of western lakes. With these natural conditions the railroads have had to deal, and dealing, find that man demands that they shall destroy the discriminations nature made. The planter, who formerly hauled his products by wagon, to the city on the river, at a cost greater than he can ship them now a thousand miles by rail, and who before paid readily the river freights in addition to the cost of his private conveyance, demands—since the railroads have been built—not only to be put on an equality with the city, but, if he is nearer, that he shall pay even less freight to the sea. The city, in turn, complains that its former trade now goes direct to distant markets. The town, situated nearer the coal and iron fields, demands that it shall be given the full benefit of its natural position. The town, a hundred miles away, wants coal just as cheap, and feels discriminated against if it does not get it. The wheat grower on the distant prairies of Dakota, in order to get his wheat to market, requires from the railroad a very small through rate. The wheat grower, nearer the sea, complains that this is discrimination against him. The manufacturers of the east demand a rate sufficiently low to enable their products to reach the distant markets of the west, but the

western manufactures, nearer those markets, complain that this is discrimination against them. Conflict—conflict—everywhere! Every point, with natural advantages, demanding that the railroads shall arrange rates so as not to interfere with them, and every point, not so well located, demanding rates that will put it on a full equality with its more favored rival. Through all these complicated and conflicting interests, the railroads must steer their difficult way. They are forced to recognize that the wheat grown on the plains of the west, comes into competition in the markets of the world with the wheat grown on the steppes of Russia, or on the fertile fields of India; and that, for the wheat of Dakota to reach the bakery at London, it must be carried at a rate so low as to leave but an infinitesimal profit for each mile transported; and yet, because the roads take this wheat to distant markets at so small a profit, it is claimed that they ought to haul the wheat grown along their lines to local stations, at the same rate per mile. To raise their through rates to the local standard, would bankrupt the farmer of Dakota, destroy the wheat-growing industry of the west, involve in one grand catastrophe the development of that vast section, and raise the price of food throughout the world; to lower their local rates to the through standard, would bankrupt the railroads, destroy their usefulness and further development, and produce a financial crash that would overwhelm in one common ruin the credit and prosperity of the whole country.

THE RAILROAD IS THE CREATOR OF WIDESPREAD COMPETITION.

Sir, no instrument ever devised by man has so tended to destroy the discriminations of nature as the railroad. Annihilating space and time, it makes Florida a market garden for New York and Chicago; the prairies of the West, the granaries of the world; and brings into active competition

similar products of all sections. It is the creation of wide-spread competition. Through it the iron and the coal of Pennsylvania and Ohio, of Alabama and Tennessee, compete. Through it, the cotton factories of Georgia and Carolina, of Massachusetts and Connecticut, compete. Through it India and Russia, Idaho and Kansas, sell the product of their golden harvest, in active competition, to the cities of Europe. But, sir, not content with bringing similar products, from all countries, into vigorous competition everywhere, it brings all classes of articles adapted to the same use, into competition with each other. It enables brick to compete with wood, granite, with marble, and permits the Indiana farmer to sell his surplus corn, once burned for fuel, in close competition with the food products of Europe.

RAILWAY COMBINATIONS NECESSARY.

Sir, the Railroad must solve vast and complicated commercial problems. It must protect vast and complicated interests. It must consider factors world-wide in their bearings. To meet these demands—to partially destroy the discriminations of nature—to put the productions of one section into the distant markets of another—to put the products of this country into the markets of the world, in competition with the products of other countries—to make the charge on commerce small enough to permit that commerce to grow to immense proportions—to create universal individual competition—vast railway combinations have become necessary. These have created a feeling of distrust among the people, who, conscious daily of the existence of the great combinations, but feeling, only indirectly, their benefits and their lessening charges, are educated, by the designing, or the uninformed, to look upon the very means of their prosperity as a monster of destruction, ready to enwrap them in its mighty folds. Is it won-

derful that an interest of such enormous proportions, that has grown with such rapidity, that has had to meet and solve such vast and complicated problems, should have made mistakes, created dissatisfactions, and aroused many bitter and vindictive enemies? But the great practical questions are: How have the railroads served the people? How have they met the demands upon them? Are the injuries complained of the result of voluntary injustice, or have they been produced by forces and environments, for which the railroads are not responsible, and which are beyond their control? At what cost to the people do the roads conduct their business? What facilities do they furnish? What charge do they make upon the commerce of the country for the vast service which they render to the development of its material resources and its enlightened civilization? Sir, no other business has ever reached the same perfection in detail, or has accomplished such grand results. The prompt dispatch with which freight is handled, the safety and the speed with which millions of people are conveyed, demand our admiration and respect. How readily the railroad adopts every improvement, seizes upon every invention, that can promote the comfort of passengers, or facilitate the delivery of freight. But as rapid as has been the development of this industry, as enormous as has been the sum of money expended in its creation, as striking as are the facilities it affords for handling merchandise, as remarkable as are the comfort and safety with which it transports countless millions of passengers, the most astounding fact is

THE CHEAPNESS OF THE CHARGE IT MAKES

for the incalculable service it renders. The immense volume of freight carried by the roads, of all classes, the heavy and the light, the car-load and the bundle, pays *an average charge of not more than one cent, per ton, per mile.* The average charge, made by the trunk lines north of the Ohio,

is only seven mills, per ton, per mile on all classes of commodities transported. Think of it—seven mills per ton, per mile. Out of this sum, smaller than any coin of our Government, must be paid all the cost of carriage, all the maintenance of way, all the taxes, and all the improvements, and all the general expenses of the roads. These expenses, so tremendous in the aggregate, have been reduced until they average only about five mills per ton, per mile.

At least five-sevenths of all that the railroads earn, is spent in the employment of labor and in expenses, almost entirely in the sections through which they run. The profit upon the millions and millions invested in building and improving the roads must come out of the remaining two mills per ton, per mile. Reflect upon it! The bondholder and stockholder must rely upon an income of one-fifth of a single cent per ton, per mile, for their interest and their dividends. How insignificant this charge upon the commerce of the country—less for carrying a ton of merchandise a mile, than the postage you pay on a single letter mailed for local delivery!

Assuming that the silk in your wife's dress weighs five pounds, and that, paying the highest rate of freight, the profit to the road for carrying, in bulk, the silk from which it was made, was four mills per ton per mile, double the average profit on the freight hauled by the trunk lines, then all the profit the road received for hauling it a mile was one-thousandth of a single cent. Ponder it! To make a single cent it was necessary to haul that dress, costing fifty dollars, perhaps, and paying the merchant a profit of ten dollars, one thousand miles.

Mr. Edward Atkinson estimates that the cost of transporting wheat from Dakota to the city of Boston enters less as an element into the price of bread than the delivery by the baker, which is supposed to be free; and yet, the tendency everywhere is to lower the rates of freight. To per-

mit the pig iron of Birmingham to be sold in the Pittsburg market, the Southern roads charge about five mills per ton, per mile. To put the Georgia melon on the table in Cincinnati or Chicago—a perishable freight requiring rapid movement and entailing great risk—the railroad charges only eight mills per ton, per mile—less for carrying a ton of melons a mile than one-sixth of the nickel which you would pay a boy to carry a single melon across the street. Is it any wonder that millions upon millions of money, invested in railroads, pay no interest or dividends? Is it any wonder that the \$9,369,000,000, representing the railroad investment of America, pay an average interest to the bondholders and creditors of only 4.17 per cent. and an average dividend to the stockholders of only 1.77 per cent.—a less rate of interest than is earned by capital invested in any other industry in the country.

While there has been a steady reduction in freight rates and in passenger fares, there has been a steady increase in the demands of the public for still greater dispatch of business and better facilities. Compare our railroads of to-day with those of fifty years ago; the sleeping cars and vestibule trains, the ninety ton locomotives, the rock ballasted road-beds and the heavy steel rails, with the old fashioned coach, the little engines and flat rails on stringers. Then compare the rate per ton on freight to-day, with the rate per ton on freight then.

We have in Georgia a striking illustration of the difference between the conditions which surround roads now and in 1840. The Central Railroad was then about 110 miles long; it earned \$113,000; it ran but a single train for both passengers and freight, and its entire operating expenses and maintainance of way was only about \$34,000. It paid a handsome dividend and had a good surplus left. To-day, the Atlanta and Florida, 105 miles in length, earns about \$120,000 per annum—more per mile than the Central

earned in 1840—and yet it costs over \$80,000 per annum to operate it.

It is difficult to appreciate how cheaply freight is now hauled. See the ponderous locomotive as it passes, bearing a train of thirty cars or more, each loaded with more than thirty tons of freight. Watch it as it speeds on its way. Reflect upon the care that must be exercised by the train dispatcher, who controls its movement; the thousands of men employed by that railroad; the intricate and complicated machinery that enables that train to be moved with dispatch, and with safety to the thousands of passengers who are carried on the same line—then ask yourself, what tribute was levied upon the commodities in that great, ponderous train for each mile it traversed.

And yet, sir, in 1840 so vast was the improvement of the railroads over the wagon and the stage coach, and so much less was their charge, that the people hailed with delight their building, granted them charters of unlimited power, voted millions of the public treasure to aid in their construction, and held in the highest esteem the men who risked their fortunes in the country's development. We do not sufficiently appreciate the vast difference in the conditions with which society was confronted fifty years ago and now. At that time the commerce of the country was limited. It was localized by natural obstacles that confined it within narrow boundaries. In relation to the then existing means of internal transportation, Atlanta was farther from Augusta, Augusta from Charleston, and each from Macon than they are to-day from New York, Cincinnati, Chicago and St. Louis. When the Central Railroad, in 1852, was authorized to lease any road with which it then connected, or might thereafter connect, built or to be built, it was given a power relatively more potential, in regard to the railroads then existing, than that possessed by any railroad combination of today, however wide its ramifications.

The discriminations of nature which have before been described, the immense growth of the country, the perfection of inventions giving more complete control over steam and electricity, enabling the rapid despatch of business and the instantaneous transmission of thought, the widening and constantly extending avenues of trade, the vigorous and active competition of distant markets, the necessity to commerce for low rates, require agencies of transportation as potential and as far reaching, as the conditions which surround them.

THE RAILROAD COMBINATIONS OF TO-DAY BARELY KEEP PACE WITH THE SURROUNDING CONDITIONS.

The railroad combinations of to-day barely keep pace with the steady and growing demands of these conditions. New York and San Francisco, New Orleans and Chicago, are actually neighbors. Electricity, out-running time, places the prices of commodities, in London and Paris, on the breakfast table of the American merchant, and makes what once were distant cities but warehouses in one common market. The merchant of New York finds his market in London and his storehouse in Chicago, or some other distant city, and in order to determine the prices at which he can trade he must know the rates of freight from the most distant points. So clear is the necessity for potential agencies of transportation that if there is a single fact admitted by all, it is that railroad combinations, in some form, must exist, should exist, and are positively beneficial to the country. Railroads are but arteries of commerce, but instruments of transportation, and it requires no wisdom to see that the more powerful the means, the stronger the instruments, the better they serve the purpose of their creation. Sir, if now, as fifty years ago, there existed no means of communication save the wagon, the stage coach and the boat, it would require no argument to convince

you that it would be better to locate your store-house or your factory on the banks of the mighty Mississippi, with its thousands of miles of navigable tributaries, than on Peachtree creek or the Chattahoochee river. It requires no argument to show that it is better to-day to locate your storehouse or your factory upon a vast system of railroads, stretching with its connections from ocean to ocean, from lake to gulf, and carrying the commerce of the continent, than to locate it on a little narrow gauge road running from Cartersville to Cedartown and handling merely the commerce of local communities.

CAUSE OF THE CONTINUOUS THROUGH LINE THEORY.

But it is said that the only beneficial kind of combination is that between continuous through lines; that it is good, all others bad; that it should be promoted, encouraged and fostered; that all others should be destroyed. Whence sprung this continuous through-line theory? Put your finger on New York bay, then run it along the Hudson and the Erie canal, connecting its deep and navigable waters with the broad and navigable waters of the western lakes. Look at the railroad lines on each side stretching out to western markets. It requires no historical statement to show that the continuous through-line theory grew up in that section of the country; that before the days of railroads the means of communication between the north Atlantic sea coast and the great northwest, were these great western lakes and the canals, connecting with the rivers that emptied into the sea; that the railroads were built to compete with these waterways. It was, therefore, a logical deduction that the form of railroad combination best adapted to the development of that section of the country, was that which ran in parallel lines to the waterways; and yet, in spite of these natural conditions, you find the New York Central system controlling the double-tracked lines

on both sides of the Hudson, stretching out two continuous, through, parallel lines all the way from the eastern seacoast to the city of Chicago, to say nothing of the lines from point to point which it controls in addition. And you find every great railroad system in that section owning or controlling parallel lines of roads, in the face of obsolete laws, passed before the people had become enlightened to the true relation the railroads bear to them, and to the commerce of the continent.

BEST FORM OF COMBINATION FOR THE SOUTHEAST.

But, sir, I deny that the same theory of combination is best for every section of the country; that the railroad combination which parallels our seacoast, drying up our seacoast cities, is best for this section of the country. Sir, that class of railroad combination is best, which is best adapted to the development of the material resources of the country through which it runs, which is most conducive to the promotion of its industries, to the increase of its population and wealth. It is well, sir, not to adopt blindly the theories and dogmas of others, but to look deeper and ascertain what natural causes underlie them, and then to study closely our own natural conditions and ascertain whether those theories are adapted to the promotion of our welfare and prosperity.

This brings us to the southeast. In order to determine the class of railroad combination which is best adapted for our welfare, we must study our topographical and geographical position, the conditions that underlie our present and future development, and our situation in relation to the other sections of the country. We have no great waterway running at right angles from our sea coast to the center of the northwest, along which parallel systems of railroads can be built. On the contrary, a mountain chain runs down from the northeast to the

southwest, steadily receding from the Atlantic sea coast until at a point where we stand, it runs off in ridges to the coastal plain, and turning westward impinges on the Gulf's slope, the Mississippi and the Ohio valleys. The rivers rising in this mountain region run to the Atlantic, to the Gulf and to the Ohio, near where it joins the Mississippi. They all rise in a common section. The springs of one of the branches of the Tennessee lie further east than the springs from which flows the beautiful Savannah. Their crystal waters sparkling in the mountain sunlight, run near each other, but in opposite directions, one seeking the Ohio, the other the Atlantic; while the Chattahoochee, rising near by, empties into the Gulf. What is true of these three rivers is true of others. The whole face of the country is broken and uneven, full of mountain peaks and fertile valleys, and a perfect network of streams, running in all directions. The rain that falls on one side of the ridge on which this building stands seeks the Gulf, while that falling on the other flows into the Atlantic. With the Potomac on the northeast, the Ohio on the northwest, the Mississippi on the west, the Gulf on the South and the Atlantic on the east, our section is almost an island, widening as it approaches the southwest; highest in the center, and sloping off gradually to the Ohio, the Mississippi, the Gulf and the Atlantic. The high latitude, the splendid climate, the inexhaustible supply of coal, iron and limestone, the hard woods, the cotton, the pine forests near by on our coastal plains, combine to make this Piedmont region the fitting home for thriving millions, and to furnish fruitful sources for the supply of the raw material needed in the manufacture of the important articles of modern commerce. How splendidly the situation of this section is adapted to the purpose of enabling its inhabitants to compete for a share of the commerce of the world! Take Atlanta as its center. She is almost equi-distant from Charleston, Port Royal, Savannah and Brunswick—on the Atlantic—

door-way through which to seek a share of the commerce floated on the bosom of that splendid ocean; from Pensacola and Mobile—on the Gulf—safe harbors for the trade of South America, and when the Nicaraguan canal shall be opened for that of the western coast of the Americas, and distant Asia; from New Orleans, Vicksburg, Greenville and Memphis on the Mississippi, where connections are made with the great systems of roads gridironing the southwest and the northwest; from Louisville and Cincinnati on the Ohio, gate-ways to the great central western states, now the center of the population of the country. From the northeast, running to the southwest, you find vast forests of yellow pine. From the west to the east of north you find coal and iron and limestone in limitless quantities. Circling everywhere you find the cotton fields, and abundant water power in the very midst of those which are upon the higher lands; and on the coastal plains and the gulf slope, in the Mississippi and Ohio valleys, along all the streams and rivers, everywhere, fertile fields adapted to every kind of agriculture.

Now, sir, with the conditions that surround us, with our vast natural resources, with powerful railway systems already formed north of the Ohio seeking to monopolize the markets of the north and west, I ask you what system of railroads, what character of combinations, is best calculated for the development of our section and the welfare of our people? Suppose to-day there was not a railroad system in the southeast, that we were entangled in the meshes of no theories or dogmas imported from a section governed by different natural conditions, what character of railroad system would you build? As our splendid climate and wealth of raw material lie in the center, you would build a network of roads stretching everywhere, to gather the varied classes of raw material and bring them to the common productive centers, and thence, radiating in all directions, to send the

commerce of this section pulsating outward again into every market in America, and not content there, to enable you to send it in iron ships made from American material, and flying the American flag to every port in christendom !

It was the natural formation of our country that enabled the president of the great commercial convention at Memphis, in 1845, to foresee that all the important roads then projected would meet, as he expressed it, "at a point in DeKalb county, Georgia, not far from Decatur," where each, looking only to its isolated rival interest, would contribute to the prosperity of the whole, forming *one* system of roads —a prophecy remarkable because made long before there was a system of roads in the world, and because it recognized that railroad development would and should conform itself to natural surrounding conditions.

If all your roads were formed under the continuous through line theory and stretched from towards New York and Pennsylvania southwest to the Gulf and the Mississippi, paralleling the Atlantic coast with branches into your mines and your cotton fields, would it not be to their interest to close up your sea-ports, to take your raw material to the factories of Pennsylvania and New England, and return to you their manufactured products and the imports of the world, brought in through the harbor of New York, and to make your section in every way tributary to the northeast ? On the other hand, it would be the direct interest of a great system of roads centering in our Piedmont section, covering it with lines and radiating out to the ports of the Atlantic and to the cities of the Mississippi and the Ohio to develop all our material resources, and to make our section the seat of a productive activity unsurpassed in the history of the world.

Sir, I glory in the development of Massachusetts and New York, of Pennsylvania and Ohio. I would not, if I

could, cripple one industry within their borders, but I would see this Southern country in generous rivalry and noble emulation, enter upon an earnest effort to equal and surpass their skill in manufacture and in wealth-producing power. I would see formed here those strong and powerful avenues of commerce that would enable us to compete with them in every market of the world. This has been impossible under the conditions which have until recently existed and which are now only partially destroyed. As a matter of fact, every railroad system in the South, however far extended, is now essentially local, in that, it handles but little save the business tributary to its own lines, and is debarred from participation in the commerce of the country, which, beyond the Mississippi, is gathered up by the systems of western roads, and is poured to the east over the trunk lines north of the Ohio. We only get that portion which eddies in from the great commercial streams and settles here for local consumption. From the commerce of the continent, flowing over the trunk lines through the ports of the east, a small stream turns down our south Atlantic sea cost, and, entering through our ports, eddies into the interior, and there stops. Another small current breaking away from the great streams north of the Ohio, flows in more directly from the west until broken to pieces upon our mountain ranges. Very little of it gets over the ridge and flows on to the sea. The result is that the rates of freight, on western produce, regulated by the volume of traffic, grow higher in the interior of the Southeast, creating a ridge of rates, small in themselves, cheap in their charges, but relatively dear compared with those on either side. Measured by freight rates produced by external conditions, the interior southeast is farthest from the productive centers of the West. This condition is due to the lines on which our railroad systems have been formed. This formation in turn is due partly to the absorbing com-

mmercial power of New York, partly to the through line theory specially applicable to different natural conditions, but chiefly to the fact that just at the period of time when the central Western States were being developed by railroads, and when we of the South were seeking through State aid, through private enterprise, and through every means in our power to reach the West, the destroying blight of the civil war overtook us, and paralyzed all our efforts to reach the Western markets. The South was shut off for four long years from intercourse with the world, and this gave her Eastern competitors an enormous start in the race for the control of the Western markets; but worse, the wreck of the war carried down her fortunes, destroyed her property—not alone in slaves, but in bonds and stocks and every species of personal property—leaving her with nothing but her land and the energies of her people, and confronting them with social and political problems which have taxed their resources to the utmost to solve. Her credit was destroyed and the success of great enterprises rendered impossible. Recognizing the necessity for railroad development our people made vain endeavors, through the credit of the States, to extend our lines, but such was the position in which we were placed that financial ruin followed close upon the steps of every railroad enterprise, and the most the railroads could do was to handle, in an imperfect way, their local business. During this whole period the North was extending her railroads, combining short lines into great systems, and manning the commercial forts of Cincinnati, Chicago and St. Louis and other important commercial centers. Her wealth and her population increased with phenomenal rapidity, while our seaboard cities, too poor to aspire to the control of systems reaching the Northwest, lost largely even the business that was formerly tributary to them. Our important systems, except the Central of Georgia, attracted by the business of the North-

east, and the all-absorbing commercial power of New York, assumed the continuous line form, and stretching from, the North and Northeast in a southwesterly direction, steadily took the business of our section away from the South Atlantic ports.

The commerce of the continent gave to the great systems north of the Ohio a vast volume of freight, and this volume of freight enabled them to give very low rates, while the southern roads, serving a section shut out from any share in the commerce of the northwest, compelled to look only to local business, have been forced to charge more. The result of these conditions is, that the railroads of the southeastern group earn less per mile than any other group of railroads in the country. They earn gross about \$3,800 a mile, with an average rate of freight of one and eighteen thousands of a cent per ton per mile; while the central group north of the Ohio river on an average rate of eighty-three hundredths of a cent per ton per mile, earn about \$14,775 gross per mile, and about \$4,900 net or \$1,100 more net per mile, than the southeastern group earns gross. The larger the volume of freight, the lower the rate is the rule.

What we need is that character of railroad combination which will enable the southeast to enter vigorously into competition with the north for a share of the commerce of the continent, and that will tend to promote the industrial development of our Piedmont and mountain section and build up our South Atlantic seaports.

EFFECT OF PROPER FORM OF COMBINATION AND OF WIDE-SPREAD COMPETITION UPON THE SOUTHEAST.

What will be the effect of such a railroad combination and such widespread competition upon the southeast no one can estimate. When the Pennsylvania road was being built it was vigorously opposed. Simon Cameron, its earnest supporter,

making a speech in its favor, predicted that the time would come when the people of Harrisburg would be able to go to Philadelphia in a single day. When he had finished his speech, a friend said to him: "That's all very well, Simon, to tell the boys, but you and I are no such infernal fools as to believe it." To-day the trip is made in two hours. The development of the country has always outrun the expectation of the most sanguine. The day is not far distant when a population of a quarter of a million will crowd the streets of this city, when places now unnamed, will be the sites of vigorous manufacturing towns, when Chattanooga, and Birmingham, and Knoxville, and Memphis will be great and important cities, the seats of splendid enterprises; when our South Atlantic ports, from Norfolk to Brunswick will feel the quickening influences of commercial prosperity, and when the commerce of this section will again flow through their harbors, making them as relatively more important than they were in earlier days, as the prosperity and wealth of this section in the future will be greater than it was in the past.

And through it all we see the roads lessening their rates as they increase the volume of their freights, the one acting and re-acting upon the other.

THE SOUTH CAN ENTER SUCCESSFULLY THE FIELD OF COMMERCIAL COMPETITION.

The great questions are: Can the South enter successfully the field of widespread, commercial competition? Can a railroad system be formed in her midst that will be able to compete with the great systems north of the Ohio? Why not? We have already considered her wonderful natural resources. But in the coves of the mountains, on the slopes of the foot hills, on the plains of the Atlantic, you find a wealth greater than all of these. You find an active, vigorous, intelligent, white population, through whose veins

courses the Anglo-Saxon blood, and that of the races which have dominated and controlled the world—men who have learned the power of controlling their passions and their prejudices, and, uniting with their brothers of the North and West, have furnished history its noblest example of self-government. Men who, meeting bravely and with forbearance the poverty and ills of re-construction days, have rehabilitated our glorious South, restored to her good government, clothed her with rich raiments, and set upon her fair brow the laurels won in the victories of peace. These people are capable of the highest development in every walk of life. From them have sprung the majority of those who have built this splendid city. From them have sprung the business and professional men, who through their capacity, intelligence and honesty, have won reputations and fortunes in distant cities. From them have sprung the statesmen who helped to form the government of our common country, and helped to crown it with fame imperishable. There are millions of white people throughout the South capable of attaining the highest skill in manufacturing arts, and our section will yet surprise the world by its industrial development.

And how advatageous is the situation of this section with relation to the other sections of the country, and what advantages it offers for the formation of great railway systems! The shortest line from the southwest, and from the central portions of the northwest to the Atlantic seacoast, runs directly through Georgia. From Kansas City to New York is 1,348 miles, to Savannah 1,187 miles; from Fort Worth, Tex., to New York 1,728 miles, to Savannah 1,147 miles. But more pronounced still is the advantage of our interior cities, which are so well located for great manufacturing activity. From Atlanta to Waco, the central city of Texas, is 941 miles; from Waco to New York is 1,816 miles; from Kansas City to Birmingham is 738 miles, to

Pittsburg 905 miles; from Denver to Columbus, Ga., 1,541 miles; to Lowell, Mass., 2,274 miles. What is true of these places is true in an equal degree of the whole southeast and of the whole southwest. The latter, which is increasing so rapidly in population and wealth, is largely an agricultural section, while our raw materials can be readily manufactured into all articles needed to supply the wants of its inhabitants; and in the interchange of traffic the roads will be able to secure loads for their cars both ways. With the shortest lines, we have the lowest capitalization per mile. The central group of roads lying north of the Ohio river are capitalized at \$121,267 per mile; the southeastern group at \$41,359; while the great southern system, which more particularly embraces the Georgia roads, is capitalized at only \$37,140 per mile. More important still, there has been a steady approximation of freight rates all over the country. Twenty years ago the rate on the six great western lines centering in Chicago was 2 cents and 4 mills per ton per mile, and on the seven trunk lines east of Chicago 1 cent and 6 mills per ton per mile. In 1888, the average rates on those roads west of Chicago had fallen to nine mills per ton per mile, and the average rate on those roads east of Chicago to seven mills per ton per mile. Where there was a difference of eight mills per ton per mile twenty years ago, there is now less than two. The reductions on the Southern roads have been equally striking. Take the East Tennessee for example:

In 1885 its average rate per ton per mile was.....	.0119
In 1886 its average rate per ton per mile was.....	.0114
In 1887 its average rate per ton per mile was.....	.0103
In 1888 its average rate per ton per mile was.....	.0097
In 1889 its average rate per ton per mile was.....	.0091

It is an important fact worthy of very careful note, that the average rate on the East Tennessee Road is now the same as the average on the six great systems west of Chicago was

in 1888, and that there is a difference of only two mills per ton per mile between the average rate on the East Tennessee and that on the eastern trunk lines. The rates on the latter have reached, or nearly reached, the minimum. It is inconceivable that they can move freight at a much less cost, while the increase of traffic will enable the southern roads to meet their rates. It takes but a mathematical calculation to demonstrate that when the rates on the southern roads closely approximate the rates on the northern lines, the shortness of the southern lines to the sea will tell with tremendous effect upon the commerce of the continent. That portion of the rate accruing to the roads west of the Mississippi will necessarily be greater, and the inducement for the independent systems of the southwest to send their business over the lines of the southeast will be overwhelming. Not five years ago the gauge of the railroads of the south was for the first time brought into unison with the standard of the country, and already we see vast combinations ready to enter the field to win for her a share of the commerce of the continent. Surrounding conditions conspire to favor their efforts. It is difficult to appreciate the increase of business in the south or its effect upon reducing the average railroad charges upon commerce. In 1885, the tonnage of the East Tennessee Road reduced to miles was 201,700,000; in 1888 it had grown to 424,800,000, more than double. Without this increase of tonnage the East Tennessee Road could not have handled its business at the average rate of last year and escaped bankruptcy. With it, it was able to increase its net earnings.

ATLANTA'S OPPORTUNITY.

Sir, the South's opportunity has come. If she can but rouse the slumbering energies of her people she will astound the world by the splendor of her career. It is especially important that our glorious city should wake to

the realization of the opportunities offered her. Let her not sleep as did Decatur fifty years ago, but let her, with strong and powerful hand, grasp what fate has tendered, and become what she ought to be, the center of a great system of roads stretching with its connections over all parts of the country, bringing to her door all classes of raw material, and offering to her manufacturers the distant markets of the continent for their products. See how our local territory is being invaded by a line stretching down from Chattanooga to Carrollton and projected on to Columbus, by another projected across from Chattanooga to Augusta, by another already built from Athens to Macon, and by another being built from Macon to Birmingham. From the east the Georgia, Carolina and Northern, meeting the Macon and Covington at Athens, which at Macon connects with the Georgia, Florida and Southern, offers the whole business of the section traversed by these lines a shorter outlet to the east than that through Atlanta. Let Atlanta not forget that those natural conditions of mountain and of valley, which made her truly the gateway of the southeast, are being destroyed by the feats of the civil engineer and the lessening price of steel. Let her remember that new roads may offer greater facilities to her rivals than to her. Fate has put within her grasp a higher destiny than mere competition for local markets. Her future lies in becoming a great productive center. If she realizes and seizes her opportunities the inroads upon her local territory will be a thousand fold off-set by the great avenues of commerce opened by her railway combinations.

THE CONTROL OF THE RAILROADS REST WITH THE PEOPLE.

Sir, the final argument of the demagogue, when driven from debate by reason and incontrovertible statistics, is the cry of alarm and the charge of monopoly. He falls back upon the statement that the combinations will control the

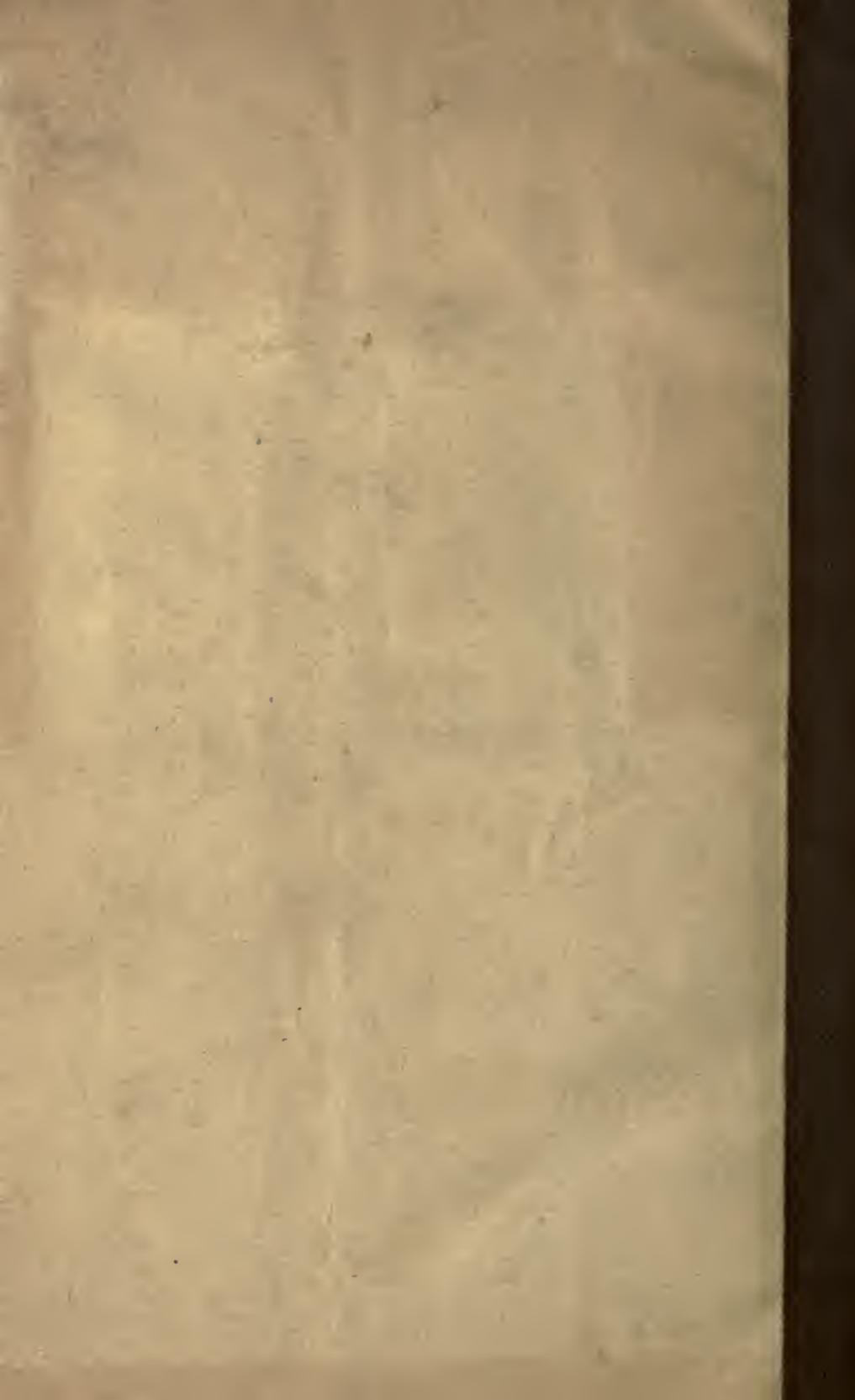
people. Sir, to-day the throned monarch trembles at the people's voice, and throughout the civilized world the people are persistently asserting their rights. To say that in this country, the people cannot control their railroads, however great, however strong, however powerful the roads may grow, is to charge the people with incompetency. Do they deserve this insult? Their glorious achievements answer, No! The principle that every railroad, great or small, is subject to the people's control has become a fundamental doctrine of our national jurisprudence. Embodied in our constitutions, enacted by our statutes, declared by our Supreme Courts, State and Federal, it receives universal recognition and commands universal obedience. The railroads get their power from the people. They hold it at the people's will; and, should any combination of roads at any time undertake to oppress or injure, the people would rise in their might and tear them limb from limb. But a recognition of these facts should make the people most conservative. They want their country developed; they want more railroads; they want new avenues of commerce; and they cannot expect them unless the man who puts his capital into them can rely upon the people's protection. Around your home and around your factories the law has planted hedges, but to the railroads the law has said: "You hold your powers subject to the people's will."

Sir, Thomas Jefferson, the great apostle of civil liberty and equal rights, believed no more firmly in people's capacity for self-government than I, and with faith unquestioning, I trust to the wisdom and the common sense of the people, the solution of the issues of the present and the future. Determine what character of combination will best promote your interest and your welfare, and then dismiss forever the shadow cast by the fear that the people will fail to control their creatures.

Sir, in society as in nature two forces are always at work.

Co-existent with the formation of the world, we find them everywhere, through everything, the animate and the inanimate. They are the principles of creation and destruction. They constantly contend and men unconsciously range themselves under their respective banners, and society becomes divided into two classes—those who would create and build up; those who would tear down and destroy. Among the one we find the patriot, the philanthropist—those who would develop the material resources of their country, would promote its happiness and prosperity, would knit it together in indissoluble bonds; those who love mankind. Among the other—those who, without capacity for adding to the prosperity of their State or section, are filled with jealousy by the work of others—those who are ready to destroy, but offer to erect nothing in the place of the edifice they would pull down; those who live upon the accidents and misfortunes of their fellows; the political agitators, the prototypes of him who fell because he would rather rule in hell than serve in heaven, who fan the embers of discontent, nor care what the flames may burn so they but light the pathway of their ambitions. Destruction sometimes wins—death has its victim; but creation conquers and life springs from decay. Destruction's victories are short lived. As rejuvenating spring soon wipes out the scars of winter, so the warm and patriotic love of the creative element, fashioned after Him who made and redeemed mankind, always triumphs. Inspired with this thought, let us, with broad and liberal views, seek to create and promote the wealth and prosperity of this State and section until its people rank among the foremost industrial people of the world; nor let us stop there, but with a patriotism too deep and too broad to be sectional or selfish, let us wipe out the last vestige of difference between the North and South; and, recognizing that the problems of one are the problems of all, stand with our faces to the East, ready to

hail the day that breaks upon a country wedded to a common interest, whose States and sections are tied with the bonds of fraternal love, and which reveals the American flag in every part of christendom, the highest emblem of commercial enterprise and Christian civilization.



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